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U.S. Weighs Public Role In Reporting Espionage

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WASHINGTON, Aug. 23 — Senior American intelligence officials, worried by the apparent ease with which spies penetrated American security, have been debating the establishment of an anonymous hot line and reward system to encourage public reports of suspicious activities, the Army's chief of counterintelligence said today.

The counterintelligence official, Col. Anthony J. Gallo Jr., said in an interview that the hot line proposal was part of an "unparalleled" resurgence of concern about security provoked by a spying case involving former members of the Navy.

He said the proposals had been discussed by an interagency security committee headed by Director of Central Intelligence William J. Casey, and that the Justice Department had been asked to review the reward idea to see whether there were legal barriers.

"I think there is a majority of us in this business who feel it's something worth pursuing, looking into, if it's legal and proper," Colonel Gallo said.

Proposals 'Kicked Around'

John Russell, a spokesman for the Justice Department, confirmed that the proposals were "kicked around within the last month" by the committee of senior intelligence representatives. He said the Justice Department had reported to Mr. Casey that setting up a reward system would require an act of Congress.

Colonel Gallo is the Army's top-ranking counterintelligence official and liaison representative to the Navy on its investigation of what Federal prosecutors charge was a spy ring operated by John A. Walker Jr., a former Navy communications specialist. Mr. Walker has pleaded not guilty to espionage charges. His brother, Arthur J. Walker, was convicted this month of spying for the Soviet Union. Two other men, Mr. Walker's son, Michael L. Walker, and Jerry A. Whitworth, have pleaded not guilty to espionage charges.

In the interview, Colonel Gallo also said some Army communications and intelligence sources may have been compromised by the breaches of Navy security in the spy case.

These breaches resulted primarily from the fact that some Army com-

munications travel over Navy channels, he said.

In response to the possible security leaks, Colonel Gallo said, the Army made sweeping changes in how it operates its communications networks, including how coded communications systems are set up and the number of operators allowed to use various systems.

Colonel Gallo said he was convinced that the leaks of Army information had been limited because the Army and Navy operate their communications systems somewhat differently.

"We don't feel there's been any major breach in Army security as a result of the Walker case," he said. "Fortunately for us, our communications patterns are much less vulnerable. The way we establish our nets, the size of our nets, the type of traffic we pass, we're different."

"And of course the 'key cards' are different," he said, referring to cryptographic equipment. He declined to elaborate.

Colonel Gallo said the Army was continuing to study possible breaches from the Navy case, but the military can never be fully confident it knows the complete damage unless John Walker, whom prosecutors say organized and led the spy ring, breaks his silence. Mr. Walker has repeatedly denied any espionage activities.

"We'll never be able to come fully to grips with this thing unless that man comes forward and makes a clean slate of it," he said.

Walker's Daughter Investigated

Colonel Gallo also said the Federal Bureau of Investigation and the Army had investigated John Walker's daughter, Laura Walker Snyder, who served as an Army communications specialist in 1978 and 1979. He said the investigation had confirmed her statements that she did not engage in any spying activities.

"We have looked into Laura Walker and we believe we have evidence that indicates that she was not involved in any conspiracy," Colonel Gallo said. Mr. Walker's daughter has said she was asked by her father to sell information, but declined.

Colonel Gallo said the hot-line and reward proposals were among several

ideas raised at meetings of the security committee, to which he is the Army's representative, since the arrests in the spy case.

He said the hot line could be used by any citizen to report a neighbor or acquaintance seen engaging in suspicious activities.

With a hot line, he said, "I imagine you'd have to weed through a lot of cranks and kooks and all," but he added, "Who's to say if we had a system like that and it was well advertised, one of Johnny Walker's friends might not have come forward?"

Colonel Gallo said the only good to come out of the Navy spy case had been a spreading awareness of the threat of spies and the need to improve counterintelligence activities.

"You can't go to any echelon in the Government right now, be it the national level all the way down, that there's not someone actively engaged in some way in reaction to the Walker case," he said.